

# VIDYA BHAWAN BALIKA VIDYA PITH

## शक्ति उत्थान आश्रम लखीसराय बिहार

Class 11 commerce Sub. BST. Date 08.03.2021

Teacher name – Ajay Kumar Sharma

### Types of Insurance

#### Difference Between Life Insurance, Marine Insurance And Fire Insurance

BASIS	LIFE INSURANCE	FIRE INSURANCE	MARINE INSURANCE
<b>SUBJECT MATTER</b>	The subject matter of insurance is human life.	The subject matter is any physical property or assets.	The subject matter is a ship, cargo or freight
<b>ELEMENT</b>	Life Insurance has the elements of protection and investment or both.	Fire insurance has only the element of protection and not the element of investment.	Marine insurance has only the element of protection
<b>INSURABLE INTEREST</b>	Insurable interest must be present at the time of effecting the policy but need not be necessary at the time when the claim falls due.	Insurable interest on the subject matter must be present both at the time of effecting policy as well as when the claim falls due.	Insurable interest must be present at the time when claim falls due or at the time of loss only
<b>DURATION</b>	Life insurance policy usually exceeds a year and is taken for longer periods ranging from 5 to 30 years or whole life	Fire insurance policy usually does not exceed a year.	Marine insurance policy is for one or period of voyage or mixed
<b>INDEMNITY</b>	Life insurance is not based on the principle of indemnity. The sum assured is paid either on the happening of certain event or on maturity of the policy.	Fire insurance is a contract of indemnity. The insured can claim only the actual amount of loss from the insurer. The loss due to the fire is indemnified subject to the	Marine insurance is a contract of indemnity. The insured can claim the market value of the ship and cost of goods destroyed at sea and the loss will be indemnified

		maximum limit of the policy amount.	
<b>LOSS MEASUREMENT</b>	Loss is not measurable.	Loss is measurable.	Loss is measurable
<b>SURRENDER VALUE OR PAID UP VALUE</b>	Life insurance policy has a surrender value or paid up value	Fire insurance does not have any surrender value or paid up value.	Marine insurance does not have any surrender value or paid up value
<b>POLICY AMOUNT</b>	One can insure for any amount in life insurance.	In fire insurance, the amount of the policy cannot be more than the value of the subject matter.	In marine insurance the amount of the policy can be the market value of the ship or cargo
<b>CONTINGENCY OF RISK</b>	There is an element of certainty. The event i.e., death of maturity or policy is bound to happen. Therefore a claim will be present.	The event i.e., destruction by fire may not happen. There is an element of uncertainty and there may be no claim.	The event i.e., loss at sea may not occur and there may be no claim. There is an element of uncertainty